

H.R. 3654: The SAFE Commission Act

A Bipartisan Solution

A Perfect Storm Approaches

America's entitlement spending programs – Social Security, Medicare, and Medicaid, also known as mandatory spending programs – are growing at unsustainable rates. While our nation rightly has made a commitment to fund these important programs for all eligible citizens, it is now clear that without urgent attention we will be unable to continue to do so.

The combination of the retirement of the baby boom generation, an aging population, and rising health care costs has created a “perfect storm” of unfunded entitlement obligations. This “tidal wave of debt” threatens to sink not only these programs, but our nation with it.

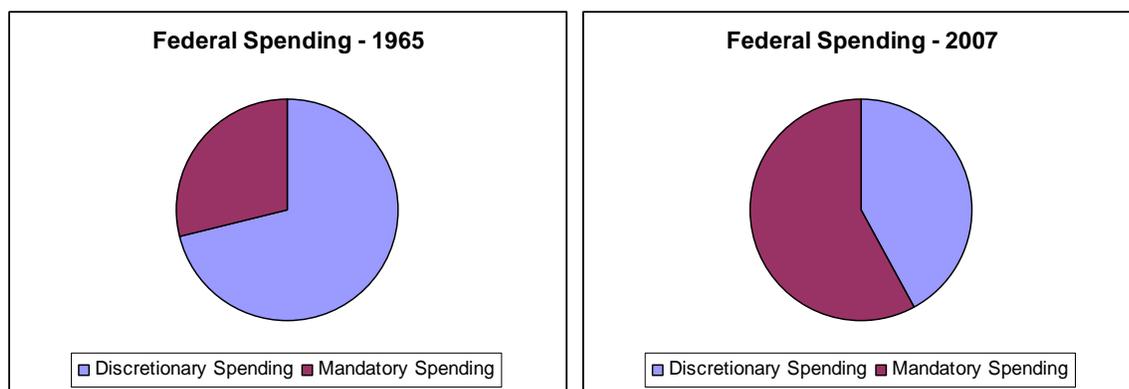
The size of this looming debt is almost unfathomable. The U.S. taxpayers' liabilities and unfunded commitments for future spending on Social Security and Medicare are now estimated at **\$53 trillion**. That translates to about **\$455,000 per U.S. household**. Of growing concern, too, is the spike in foreign-held U.S. debt, especially by China and oil-exporting countries.

Obligation to Future Generations

It is critical that our children and grandchildren have all the opportunities that Americans have today. Our nation's financial outlook will not fix itself and Congress has a moral obligation to address this issue. However, with political gridlock in Washington, it is necessary to form a bipartisan commission to force lawmakers to act.

The Bottom Line: The Greatest Financial Challenge of Our Time

The long-term outlook is daunting, and the longer we wait to regain sound financial footing, the harder the adjustments will be. Entitlement spending is now the largest portion of the federal budget, having grown from one-third of spending in 1965 to nearly two-thirds in 2007. This trend will continue and this wave of spending will grow ever larger in coming years, until it consumes all taxpayer spending.



Simply put, this will leave no money for any spending on defense, homeland security, education, transportation, science, energy, or research and development programs, referred to as “discretionary” spending. We won't have money for important medical research initiatives which are making cures for diseases such as cancer, Alzheimer's, and Parkinson's a real possibility.

In January 2008, Moody's Investors Service concluded that the United States could lose its triple-A bond rating by 2012 because of the staggering debt it owes. It would continue to be downgraded in subsequent years reaching junk bond status; making investment in the U.S. as risky as developing nations. This is the great financial challenge of our time and the consequences of failing to act now are grave.

How would the SAFE Commission work?

If H.R. 3654 becomes public law:

- A bipartisan 16-member commission would be formed to review entitlement spending (Social Security, Medicare, Medicaid), tax policy, and all other federal spending.
- The commission would hold town hall style meetings across the country, educating the American people about the nation's financial future and listening to ideas on tackling the issue.
- The commission, by three-fourths majority, would submit a legislative proposal to Congress which would detail a plan to address long-term solvency. The president and Congress would then have the opportunity to offer plans.
- Congress would be mandated to vote up or down on the commission's legislative proposal, as well as any alternatives offered by the president or other members of Congress, as a whole. This process is modeled after the process used to close military bases. **Requiring action is what makes SAFE unique and not just another open-ended commission.**

Who supports the SAFE Commission?

- Over 110 bipartisan members of Congress, from Republican leadership to all of the Democrat Blue-Dog Coalition co-chairs. Please visit www.wolf.house.gov for an up-to-date list of cosponsors.
- Policy groups from across the political spectrum, including the Heritage Foundation, the Brookings Institution, the Concord Coalition and the Committee for a Responsible Federal Budget.
- Leading voices in the business community, including the Virginia and Tennessee Chambers of Commerce, the Business Roundtable and the National Federation of Independent Business.
- Newspapers across the country including *The Washington Times*, *The Washington Examiner*, *The Richmond Times-Dispatch* and *The Tennessean* have editorialized about our country's financial situation and endorsed the SAFE Commission as a way forward.
- National syndicated columnists, including David Broder, Robert Samuelson, and David Brooks.
- Senate Budget Chairman Kent Conrad (D-ND), Ranking Budget Committee Senator Judd Gregg (R-NH), and Senator George Voinovich have introduced similar legislation in the Senate (S. 2063).